

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 798 - HB 935

March 16, 2017

SUMMARY OF BILL: Authorizes the Alcoholic Beverage Commission (ABC), to fine a licensee up to \$10,000 for second violation of sales to minors, and to require retraining of respective employees. Deletes automatic revocation of licenses for violations of on premise consumption law. Specifies requirements regarding infused alcoholic beverages. Authorizes hotels to sell sealed packages of alcoholic beverages. Authorizes the ABC to certify an online training program for alcohol awareness. Requires liquor-by-the-drink (LBD) taxes to be included in menu prices or for customers to be advised that alcoholic beverages are subject to the tax.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$70,000

Increase Local Revenue – Exceeds \$35,000

Assumptions:

- Based on information provided by ABC, any impact on fine revenue for multiple violations of serving alcohol to minors is estimated to be not significant.
- Any impact on overall licensing is estimated to be not significant.
- Certifications of online training programs can be completed within existing resources of ABC.
- Authorizing all hotels to sell sealed packages of alcohol will increase the overall amount of taxable sales.
- Sales at hotels will cannibalize some sales of non-sealed packages at hotels and at other nearby retail stores authorized to sell sealed packages of alcohol.
- Based on all supporting information received for the legislation, there will be a recurring increase in state tax revenue estimated to exceed \$50,000 and a recurring increase in local tax revenue estimated to exceed \$35,000.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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